GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:2939
ANSWERED ON:20.03.2017
Problems Faced by Exporters
Arunmozhithevan Shri A.;Gopal Dr. K.;Raju Shri Gokaraju Ganga;Sawaikar Shri Advocate Narendra Keshav

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the exporters have demanded an Export Development Fund to help marketing of the products of small exporters in global market and if so, the steps taken by the Government in this regard and if not, the other steps taken to help marketing of the products of these exporters;
(b) whether the exporters/ Federation of Indian Export Organizations have requested to extend 3 per cent interest equalization scheme to merchant exporters and increase in the cash withdrawal ceiling and if so, the action taken by the Government in this regard along with the contribution of merchant exporters in total exports from the country;
(c) whether Indian exporters have expressed many concerns including delayed payments for export of their products and if so, the details thereof along with the action taken by the Government to address them; and
(d) whether many countries have supported aggressive marketing aimed at the limited orders available following a global trade slowdown and if so, the reaction of the Government thereto?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)

(a) Yes, Madam. Though there is a demand by exporters to create Export Development Fund, Department of Commerce is already running two schemes i.e. Market Access Initiative Scheme (MAI) And Marketing Development Assistance Scheme (MDA) for development and promotional activities to promote exports from India and marketing assistance in foreign markets by providing financial support to exporters through Export Promotion Councils/ Trade bodies and other eligible agencies including MSMEs. There is no proposal to create Export Development Fund. However, there is already an Export Development Fund [EDF] created and administered by EXIM Bank under the provisions of the Export-Import Bank of India Act, 1981. Under this fund assistance is provided to Indian firms in their globalization efforts by locating overseas distributor(s)/ buyer(s)/ partner(s).

(b) The Government has introduced the Interest Equalisation Scheme on Pre & Post Shipment Rupee Export Credit with effect from 1.4.2015. The scheme is available to manufacturers for all exports under 416 specified tariff lines [at ITC (HS) Codes at 4 digit level] and to exports made by manufacturers in Micro, Small and Medium Enterprises across all ITC (HS) Codes. The rate of interest equalisation is 3% per annum. This scheme provides the facility of affordable credit to exporters and enables them to be more competitive.
Though there was a demand for extending the benefit of 3 % interest equalisation to Merchant Exporters, the benefit of 3% interest equalisation was not extended to Merchant Exporters as the contribution of merchant exporters to total exports from India is not specifically maintained by Government.

(c) No, Madam. As such no concerns in this regard have been received.

(d) As such there is no information available with the Government.

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